

Green Tier Program Annual Report 4.5.2011

To Whom It May Concern:

Cortec Spray Technologies is an aerosol and liquid chemical packaging company specializing in corrosion removal and inhibition of metals for the electrical, electronic, industrial, maintenance and repair industries. Cortec offers products based on renewable resources such as soybean derivatives and is providing aerosol products that are propelled by compressed air, rather than traditional chemical propellants. Companies can work with Cortec's R&D laboratory, which became ISO 17025 certified in 2010. The CST plant building conserves energy by using skylights and timed production lighting as well as an in-floor heat system to reduce energy used in heating. In March 2011, a 30hp air compressor was installed that will be used during off hours to run plant in place of the 60hp air compressor needed for production, that was used 24/7/365. In theory this small compressor will reduce the electric consumption by half or more.

Cortec Spray Technologies has set up an ISO 14000 equivalent Environmental Management System. This system includes a manual which describes the system, and several standard operating procedures, work instructions, forms and reference documents. 10 annual internal audits are planned and so far 2 have been completed. There are currently two corrective actions opened (see attached report). Three goals were reported in December. The goal to remain a CESQG was not met for 2010, but will remain a goal for 2011. Baseline for reduction of flammable chemicals, timeline (will be per calendar year), and responsible parties needed to be set for goals and this is a corrective action that is open at this time. In 2010, the metal waste goal was met. Cans used (426,485) was higher than 95% of cans received in (412,394) = 103%. This was able to be higher than 100% because we have not chosen to calculate in on hand cans, which should only affect this first year's calculation. So far for 2011, cans used (93,602) was only 91% of cans received in (103,110). In 2010, 102 different products were made and 37 were flammable. There are at least 4 products which should be changing from flammable in 2011, which would meet goal.

| Objective | Target | Environmental Program->Responsible Party |
|-----------------------------------|--|--|
| Reduce Hazardous Waste | Become a CESQG | -reuse production materials when possible-> Production/ R&D -don't build up inventory of hazardous products->Production/Purchasing -sell under-filled products in outlet store or use as samples->Operations Manager |
| Reduce Metal Waste | Cans used =95% or higher of cans received in | -sell under-filled products in outlet store or use as samples->Operations Manager -wrap cans in corpak stretch film to reduce corroded cans from becoming waste->Receiving |
| Reduce use of flammable chemicals | 37 made in 2010 Reduce by 10% by December 2011 | -Create/reformulate in house and out of house products to use non-flammable propellants->R&D -Reformulate in house and out of house products using flammable chemicals->R&D |



Please find additional information related to DNR Environmental Indicators list below:

- 1.1 Water Use-
 - 1.1.1 8034 gallons of DI water was used in production of products in 2010.
 - 1.1.2 There are minimal/no sources for additional phosphorous to be released into water.
 - 1.1.3 Waste water would include domestic waste, floor washing ~10gallons/week and water bath used to test seal of cans (~175 gallons/batch).
- 1.2 Air Emissions are minimal and currently no air permit is required.
- 1.3 Solid waste produced includes packaging materials, lunchroom, and off-spec material that cannot be reused.
 - 1.3.1 There was 3947 pounds of waste chemicals shipped through WRR. Allied Waste is paid to pick up 14yd of garbage weekly and 300 gallons on call.
 - 1.3.3 2747 pounds of hazardous materials were shipped through WRR.
 - 1.3.4 No mercury was released into the environment.
 - 1.3.5 Currently, the following materials are recycled: paper, aluminum cans, cardboard, ink jet cartridges, mercury (from light bulbs, thermometers, etc.), lead batteries if any present, metal (from old equipment and steel cans, etc.), electronics including computer components, label backing, plastic can caps. Also, 100% post consumer recycled paper will be used whenever possible, printing on both sides of the page is encouraged and toilet paper and toweling will contain at least 20% post consumer recycled content, when possible. Allied Waste is paid to pick up 4yd of recycling weekly.
- 1.4 Energy Use- Plant Building uses skylights and timed production lighting as well as an in-floor heat system to reduce energy. In March 2011, a 30hp air compressor was installed that will be used during off hours to run plant in place of the 60hp air compressor needed for production, that was used 24/7/365. In theory this small compressor will reduce the electric consumption by half or more.
- 1.6 There were no spills or hazardous substances released due to spills.

Sincerely,

Andrea Hansen

Andrea Hansen
EMS Coordinator